China hands over lavish new presidential palace to Vanuatu, ahead of PM's visit to Beijing

By Leah Lowonbu, foreign affairs reporter Stephen Dziedzic and Doug Dingwall with wires

Pacific Beat Foreign Aid

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The China-built presidential palace sits atop Vanuatu's capital Port Vila overlooking its bay. *(Supplied: BREJ Pacific)*

In short:

China has donated a sprawling new presidential palace, estimated to cost $31 million, to Vanuatu in a ceremony this week.

There are concerns the developing Pacific Island nation will struggle to maintain the complex, after other buildings recently donated by China fell into disrepair.

What's next:

Vanuatu's Prime Minister Charlot Salwai is expected to visit Beijing on Saturday, only days after his government released a foreign policy paper reaffirming its non-aligned status.

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China has handed over a massive newly-built presidential palace to Vanuatu days before the Pacific nation's prime minister is expected to visit Beijing.

In a lavish ceremony in the capital Port Vila this week, Chinese officials handed the Vanuatu government the keys to the palace — which the Lowy Institute estimates to have cost $31 million — six years after China agreed to fund the project.

Yet some experts have already raised concerns over Vanuatu's ability to maintain the building, while questioning the motivations behind China's large infrastructure aid projects in the Pacific region.

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Inside Vanuatu's new presidential palace, handed over by China earlier this week. *(Supplied: VBTC)*

The handover of the large palace complex in the capital also came ahead of the release of Vanuatu's foreign policy white paper on Wednesday, local time, reaffirming its staunch "non-aligned" status in a region increasingly contested by great powers.

While Vanuatu Prime Minister Charlot Salwai was scheduled to visit China on Saturday, reports of another possible no confidence vote against his government started to circulate on Thursday, potentially casting the trip into doubt.

The China-built Ministry of Finance building under construction in Port Vila earlier this year. *(ABC News: Doug Dingwall)*

In a continuation of China's large infrastructure projects in Vanuatu, the palace joins another major building donated by the Chinese government, the National Convention Centre, which already dominates the city's skyline.

Officials also handed over newly built government offices opposite the city's main market this week, expected to house the country's Ministry of Finance.

China's embassy said the project had gifted Vanuatu "another landmark building", while symbolising a new "milestone" in their increasingly warm relationship.

China is "committed to developing friendly cooperation with Pacific island countries", including Vanuatu, foreign ministry spokeswoman Mao Ning told reporters in Beijing.

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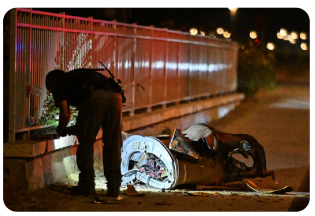

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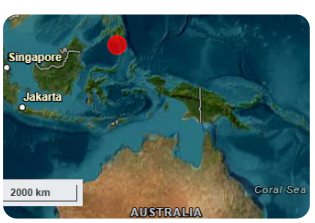

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Vanuatu's sprawling new presidential palace will host government ministries. *(Supplied: VBTC)*

Vanuatu's Finance Minister John Salong praised the project, saying it would house public servants currently scattered in spaces across Port Vila, and would allow the government to save huge sums of money which it currently spent on rent.

'Friends to all'

China has funded a series of high-profile infrastructure projects in recent years as it builds influence in the Pacific — including a new stadium for Solomon Islands ahead of the Pacific Games last year.

Pacific politics expert Tess Newton Cain said Vanuatu's presidential palace, which is also expected to host government ministries, reflected China's tendency to fund larger and more visible infrastructure projects.

> **"It also speaks to China's willingness to support projects that enhance the status or the physical comfort of [leaders] in Pacific Island countries," she said.**

"China's kind of persona in this development space is to be able to respond very nimbly and promptly to these sorts of requests that if were taken to other agencies ... might take longer or require more negotiation or more discussions.

"What China gets out of it is that Vanuatu leaders are prepared to stand there and cut ribbons and say, 'China is a great friend to our country.'"

Charlot Salwai (front, second from left), Nikenike Vurobaravu (front, right) and Vanuatu and Chinese officials at the handover of the new presidential palace. *(Supplied: Chinese Embassy of Vanuatu)*

However Dr Newton Cain said the Pacific Island nation maintained a non-aligned status, summarised in its foreign policy saying "friends to all, enemies to none" and emphasised in its new foreign policy paper.

"The fact that they say 'China is a great friend to our country' does not mean that they suddenly don't think that Australia is a great friend to their country."

'We should be prepared'

The opening of the sprawling presidential palace has also revived concerns that Vanuatu has received more infrastructure its government can't always afford to maintain.

In 2018 China funded a large new campus for Malapoa College, a major school in Port Vila, but later said it was too large for the school's needs.

The National Convention Centre, which fell into disrepair after it was handed over in 2016, is run by a local Chinese company after the Vanuatu government said it was unable to fund its upkeep.

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A procession at the start of the Melanesian Spearhead Group leaders meeting in Port Vila, at the National Convention Centre last year. *(ABC News: Doug Dingwall)*

Australian officials have been monitoring the development of the presidential palace and government office complex closely.

One government source told the ABC that Australia remained concerned about the way China has ploughed money into high profile projects without funding upkeep afterwards.

They also suggested the project offered China opportunities for surveillance and intelligence gathering in Vanuatu, although they declined to say whether Australia had hard evidence of that.

A view of Port Vila from the new presidential palace. *(Supplied: VBTC)*

Researcher Andrew Wilbur Napuat, who studies the benefits of donor funded projects, said the government needs to carefully plan ahead before accepting big donor projects.

"That is something that the Vanuatu government should consider, we must be prepared to maintain any facilities or any project that is given by any aid from any country," he said.

But Mr Napuat said his research showed Chinese aid projects in Vanuatu benefited its communities, particularly new roads in the archipelago's outer islands.

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